Taxation Avoidance Convention (DTAC) with Mauritius but not with Bermuda. Amendments to the Indo-Mauritius DTAC to prevent its misuse and enhance exchange of information, including banking information, are being pursued through the Joint Working Group constituted for this purpose.

(d) It is not possible to assess whether European and American initiatives targeting tax havens will have any impact on investment flow to India.

Likely decrease in wages

†3364. SHRI SHIVANAND TIWARI:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has paid attention towards the report of the World Bank wherein it has been said that there is likelihood of decrease in amount earned as wages in developing countries in 2009;

(b) if so, the likelihood of reduction in the said amount on the basis of the report; and

(c) the effect on the amount coming to India as a result of this reduction and the country from where the reduction in amount will be maximum?

THE MINISTER OF STATE IN THE MINISTRY OF (SHRI NAMO NARAIN MEENA): (a) to (e) Report of the World Bank, as referred in the Question, indicating likelihood of decrease in amount earned as wages in developing countries in 2009, could not be identified.

Increase in prices of consumable goods

†3365. SHRI PRABHAT JHA:
SHRI PRAKASH JAVADEKAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that despite a fall in inflation, there is a huge increase in prices of daily consumable goods;

(b) if so, the reasons therefor;

(c) the measures/steps taken by Government to curb unprecedented increase in prices of consumer goods, vegetables and fruits; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) The overall monthly average Wholesale Price Index (WPI) based inflation was 4.9 per cent in January 2009. It declined to 1.2 – 1.3 per cent in March – April, 2009 and further to 0.4 per cent (Provisional) in May, 2009. It becomes negative in June, 2009 to (-) 1.4 per cent (Provisional). Despite fall in overall inflation, inflation in some of the food products and items of

†Original notice of the question was received in Hindi.

daily use like tea and sugar continues to remain high on account of lower agricultural production in some crops, increase in the minimum support prices and growth in demand. Details of overall inflation, as also in some major essential commodities are indicated in the table below:—

Items/Month	Weight	Jan.-09	Feb.-09	Mar.-09	Apr.-09	May-09	Jun.-09
All commodities	100.0	4.9	3.5	1.2	1.3	0.4	-1.4
Rice	2.4	15.2	17.1	16.7	14.7	14.6	15.5
Wheat	1.4	5.2	6.1	4.6	5.7	7.0	6.8
Pulses	0.6	13.6	16.8	10.8	13.7	14.9	16.8
Fruits and Vegetables	2.9	17.3	9.6	2.1	10.5	8.2	10.4
Condiments and Spices	0.7	10.1	6.6	13.8	12.0	8.0	7.3
Tea	0.2	43.2	29.8	25.3	20.3	36.8	38.1
Sugar	3.6	16.9	24.0	21.4	27.7	30.0	33.9
Salt	0.0	11.8	10.8	10.8	14.4	11.2	19.9

The Government monitors the price situation regularly, with price stability being high on its agenda. Measures taken to contain prices of essential commodities include selective ban on exports and futures trading in food grains, zero import duty on select food items, permitting imports of pulses and sugar by public sector undertakings, distribution of imported pulses and edible oils through the PDS and release of higher quota of non-levy sugar. In addition, the State Governments have been empowered to act against hoarders of food items by keeping in abeyance the removal of restrictions on licensing, stock limits and movements of food articles under the Essential Commodities Act of 1955.

Holding companies of ICICI/SBI Banks

3366. SHRI MOHD. ALI KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether banks like ICICI and SBI have been asking for permission to set up a holding company, which in turn can set up banks or other financial services companies;

(b) if so, the details thereof and action taken thereon; and

(c) if not, by when action will be taken on such proposals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) Reserve Bank of India (RBI) has received proposal from State Bank of India (SBI) and ICICI Bank Ltd. for setting up holding companies. As the issue of allowing banks to set up holding companies has wide ranging implications, a discussion paper on holding companies in Banking Groups has been placed on 27th August, 2007 on RBI website for public comments. A Committee was formed to examine these responses from legal and prudential perspectives. The